

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of)
)
Pacific Bell Petition for)
Rulemaking to Amend Section)
69.106 of the Commission's Rules)

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OFFICE OF SECRETARY

COMMENTS OF
SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT), pursuant to the Public Notice¹ released July 21, 1994, hereby comments on the Petition for Rulemaking filed by Pacific Bell on June 30, 1994. SWBT supports Pacific Bell's proposed rule change establishing a call set-up rate element. However, it appears that a new rulemaking proceeding on this subject alone would be overly burdensome to the Commission and the industry. Instead, the Commission should grant Pacific Bell (and any other LEC so requesting), a waiver to institute a call set-up charge and should promptly institute changes in the access charge structure rules that would permit the addition of rate elements such as requested by Pacific Bell without the need for waivers and rule changes.

Pacific Bell compellingly shows that the current Part 69 rate structure is insufficient to handle situations like those described by Pacific Bell where a minute of use charge may not adequately cover the costs associated with short holding time

¹ Public Notice (No. 43992) (Report No. 2022), released July 21, 1994.

calls. Pacific Bell's Petition thus supplies adequate grounds to establish a call set-up charge.

Pacific's Bell Petition further demonstrates the need for the Commission to adopt a more flexible access charge structure, as proposed in USTA's and SWBT's Comments and Reply Comments filed in response to the NPRM in CC Docket No. 94-1, LEC Price Cap Performance Review.² The need for a more flexible structure is also clear from many of the currently pending activities, such as the Notice of Inquiry requested by the National Association of Regulatory Utility Commissioners (NARUC),³ The Commission's Access Reform Task Force Staff Analysis,⁴ the Ameritech Customers First Plan⁵ and the Rochester Open Market Plan.⁶ The current access-charge structure rules are obsolete and simply do not adequately permit LECs to adapt their services, pricing structures, and pricing levels to meet the needs of customers.

² See, for example, USTA's and SWBT's Comments, CC Docket No. 94-1, filed May 9, 1994, and Reply Comments, filed June 29, 1994.

³ See, Petition for Notice of Inquiry, filed by NARUC on June 25, 1993.

⁴ See, Federal Perspectives on Access Charge Reform, released by the Common Carrier Bureau on August 3, 1993.

⁵ As filed in the matter of a Petition for Declaratory Ruling and Related Waivers to Establish a New Regulatory Model for the Ameritech Region by Ameritech Corporation on March 1, 1993.

⁶ Pleading cycle established for Comments on Petition for Waiver filed by Rochester Telephone Corporation, Public Notice (DA 93-687) (released June 15, 1993).

As justifiable and necessary as the additional call set-up rate element may be, a separate rulemaking at this time would be overly burdensome and time consuming. Pacific Bell's Petition provides adequate grounds for immediate waiver of the current rules to allow Pacific Bell, and any other LEC so choosing, to establish a call set-up charge.

As the USTA and SWBT Comments and Reply Comments point out, with an appropriate decision in the Price Cap Review proceeding, the Commission could provide the flexibility LECs need to respond to changing market conditions. LECs are presently forced to continue to file individual petitions to be responsive to their customers in the absence of fundamental change. The growing backlog of petitions for waivers and rulemakings are evidence that the dynamics of the current telecommunications market are not being met by the outdated access charge structure that currently exists.

CONCLUSION

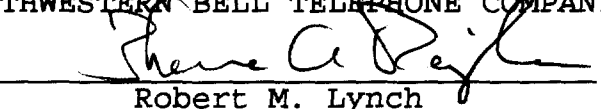
SWBT fully supports Pacific Bell and their justification for establishing a call set-up rate element. For the foregoing reasons, SWBT respectfully requests that the Commission grant Pacific Bell (and any other LEC so choosing) a waiver to institute a call set-up charge. SWBT also requests that the Commission move as quickly as possible to make fundamental changes to the access charge rules. Only through such changes would all LECs have the appropriate flexibility to add and change rate elements to respond to the dynamics of the rapidly changing telecommunications market.

Thus, fully justifiable new rate elements, such as the call set-up element desired by Pacific Bell and others, can be established without the need for protracted regulatory proceedings that bottleneck the availability of new services and pricing plans.

Respectfully submitted,

SOUTHWESTERN BELL TELEPHONE COMPANY

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August 22, 1994

CERTIFICATE OF SERVICE

I, Liz Jensen, hereby certify that the foregoing Comments of Southwestern Bell Telephone Company in Pacific Bell Petition for Rulemaking to Amend Section 69.106 of the Commission's Rules, has been served this 22nd day of August, 1994 to the Parties of Record.

Liz Jensen
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